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Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Implementation of the
Telecommunications Act of 1996:

Reform of Filing Requirements
and Carrier Classifications

Anchorage Telephone Utility, Petition for
Withdrawal of Cost Allocation Manual

CC Docket No. 96-193

AAD 95-91

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COMMENTS OF BELL ATLANTIC

**The Bell Atlantic Telephone
Companies**

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October 15, 1996

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SUMMARY

The Commission is appropriately taking prompt action to implement the statutory provisions that provide for annual ARMIS and CAM filings. It should, however, ensure that its proposed additional regulations are consistent with the statutory requirement and do not effectively require CAM filings in shorter intervals. It should also ensure that the ARMIS proposals do not increase the administrative burden on affected carriers and that they treat all competitors comparably. As discussed herein, Bell Atlantic submits the following comments on the specific issues raised in this proceeding:

- Changes that require CAM amendments should be permitted at any time without a separate CAM amendment; the annual CAM filing will reflect changes made during the prior year.
- The Commission should retain the existing June 30 date for filing the ARMIS 43-07 report to avoid increasing the resource burden that would occur if the date were moved to April 1, as proposed.
- Service quality reports should be filed by all local exchange competitors that meet the revenue threshold specified for other reports; the content of the reports should not be detailed in the rules.
- The redundancy between the new annual ARMIS 43-01 report and existing 43-03 and 43-04 reports should be eliminated.

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COMMENTS OF BELL ATLANTIC¹

The Commission is to be commended for promptly adopting rules to implement the provisions of Section 402(b)(2)(B) of the 1996 Act² to provide for annual filings of Cost Allocation Manual ("CAM") amendments and Automated Reporting Management Information System ("ARMIS") reports.³ In adopting the additional regulations proposed in the Order, however, the Commission should not eviscerate the statutory mandates. In particular, it should not adopt rules the effect of which is to force carriers to file CAM amendments more frequently.

¹ The Bell Atlantic telephone companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; and Bell Atlantic-West Virginia, Inc.

² That provision requires the Commission to permit annual CAM and ARMIS filings.

³ ***Order and Notice of Proposed Rulemaking***, FCC 96-370 (rel. Sept. 12, 1996) ("Order").

Accordingly, the Commission should not adopt its proposal to retain the existing 60-day notice requirement for changes to the CAM cost apportionment table or to the description of time reporting procedures.⁴ A requirement for a formal CAM filing sixty days before implementing proposed changes would either force carriers to file more than one CAM filing a year in contravention of the statute, or would prevent carriers from making the needed changes between annual CAM amendments.

Instead, the Commission should permit carriers to implement changes that require CAM amendments at any time between annual filings without obtaining waivers or filing formal CAM amendments in advance. Regardless of when those changes are implemented, however, carriers would need to comply with any Commission rulings on the CAM changes following public comment and review of the annual filing.⁵ Accordingly, the Commission should eliminate the 60-day filing requirement, permit carriers to implement changes at any time during the year, and make clear that CAM amendments reflecting changes implemented during the preceding year are required only annually.⁶

Bell Atlantic also urges the Commission not to change the date for filing the ARMIS 43-07 report to April 1 from the present June 30 filing date, as proposed.⁷ Retaining different filing dates for the ARMIS 43-07 and 43-08 reports permits Bell Atlantic to use the

⁴ *See id.* at ¶ 21.

⁵ Carriers would, of course, be free to consult with the Commission's staff on proposed CAM changes.

⁶ The changes to 47 C.F.R. § 64.903(b) needed to implement these proposals are shown in the Appendix.

⁷ Order at ¶ 27.

same personnel and other resources to develop both reports. The material that is needed for both reports covers the prior calendar year, and it is not available from Bell Atlantic's systems until February 1. Bell Atlantic estimates that it takes more than 500 person-hours to prepare the 43-08 report for filing April 1. Many of the same personnel, and others, then turn their attention to the more complex 43-07 report. That report takes some 4000 hours (500 person-days) to prepare, because much of the data are not captured by mechanized systems and must be processed by hand.

By contrast, advancing the 43-07 filing date to April 1 would force Bell Atlantic to duplicate many of the personnel and other corporate resources that are used to prepare both reports. Compressing the time to compile and review the data before filing the 43-07 would also force Bell Atlantic to eliminate some of the cross-checking of data that currently takes place, potentially compromising the accuracy of the data.⁸

As an alternative, the Commission could require the filing of all statistical ARMIS reports (43-05, 43-06, 43-07, and 43-08) on June 30, while retaining the April 1 date for the remainder of the reports. This would provide the uniformity that the Commission appears to want while reducing the burden. It would also help ensure consistency among the various statistical reports.⁹

⁸ If the Commission chooses to adopt its proposed change in the 43-07 filing date, which it should not, the change should not become effective before the 1997 report, due April 1, 1998, to give sufficient time after adoption of the final order to reprogram resources to meet the new deadline.

⁹ If the Commission were to adopt this alternative proposal, the dates specified in Section 43.21(g) through (j) should be changed accordingly.

The Commission is urged to revise the proposed rules specifying service quality reports.¹⁰ There is no reason those reports should be limited to price cap companies, as proposed. The Commission should be equally concerned with the quality of service provided by other local exchange service providers that compete with price cap carriers.¹¹ Accordingly, when codifying the service quality reporting requirement,¹² the Commission should require reports from all carriers meeting the revenue threshold used for other reports, not just price cap companies.¹³

In addition, by specifying the detailed contents of the reports in the rules, the Commission would be unnecessarily limiting the Common Carrier Bureau's future ability to change the types of information required in these reports. Instead of listing the specific data that must be submitted, as it proposes, the Commission should track the more general language of proposed Sections 43.21(i) and (j), which give the staff the flexibility to design, and modify, the reports as needed so long as they meet the general goals specified in the proposed rules. Providing such flexibility will make it quicker and easier to change the annual reports as the

¹⁰ Order at App. C, proposed Sections 43.21 (g) and (h).

¹¹ Alternatively, if the Commission believes that a competitive market eliminates the need for the Commission to track service quality, incumbents should be exempted from filing when a competitor enters the local market.

¹² This proposal would codify reporting requirements which the Common Carrier Bureau adopted in 1991, *Policy and Rules Concerning Rates for Dominant Carriers*, 6 FCC Rcd 2974 (Com. Car. Bur. 1991), and revised two years later, *Policy and Rules Concerning Rates for Dominant Carriers*, 8 FCC Rcd 7474 (Com. Car. Bur. 1993).

¹³ Bell Atlantic suggests combining proposed Sections 43.21(g) and (h) into a single provision, as shown in the Appendix.

Commission's need for information changes, such as streamlining the reports as local competition increases, without having to initiate a new proceeding to modify the rules.

Finally, the ARMIS 43-01 report, when submitted annually, becomes redundant with the 43-03 and 43-04 reports.¹⁴ The former consists of summary data that are also available on the other two reports. The Commission should eliminate this redundancy.¹⁵

Accordingly, Bell Atlantic urges the Commission to make the changes to its proposals discussed above.

Respectfully Submitted,

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¹⁴ See Order at ¶ 37. The 43-01 report was previously filed quarterly.

¹⁵ Bell Atlantic has previously proposed that the Commission eliminate the ARMIS 43-04 Report. See *Revision of Filing Requirements*, CC Docket No. 96-23, Comments of Bell Atlantic at 6 (filed Apr. 8, 1996).

APPENDIX

Suggested Revisions to Proposed Rules

1. Section 43.21. Proposed Subsection (g) should be revised to read as follows:

(g) Each local exchange carrier with operating revenues for the preceding year that are equal to or above the indexed revenue threshold shall file, by April 1 of each year, a report designed to capture trends in service quality.

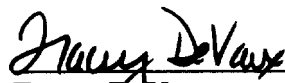
Proposed subsection (h) should be deleted.

2. Section 64.903(b):

(b) Each carrier shall ensure that the information contained in its cost allocation manual is accurate. Carriers must update their cost allocation manuals ~~at least annually, except that changes to the cost apportionment table and to the description of time reporting procedures must be filed at least 60 days before the carrier plans to implement the changes....~~

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of October, 1996 a copy of the foregoing
"Comments of Bell Atlantic" was sent via first class mail, postage prepaid, to the parties on the
attached list.


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